

3RD INTERNATIONAL SEMINAR

ST. PETERSBURG, RUSSIA

“SUBSTANDARD SHIPPING - SOLUTION THROUGH PARTNERSHIP”

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OCTOBER 17, 2000

(SLIDE 1)

MR. MATUSHENKO, MR. RESHETOV - **SPA SEE BAH** (THANK YOU).

DOEbray OOtra DAHmee ee gospoDAH [GOOD MORNING LADIES AND GENTLEMEN], IT IS A PLEASURE AND HONOR FOR ME TO BE HERE AT THE 3RD INTERNATIONAL SEMINAR AS A SPEAKER TODAY. MY CONGRATULATIONS ON A WELL-PLANNED AGENDA. I WANT TO RECOGNIZE AND THANK MR. RESHETOV AND THE RUSSIAN MARITIME REGISTER OF SHIPPING FOR THEIR PROACTIVE EFFORTS TO IMPROVE SHIPPING QUALITY. HE AND I MEET ANNUALLY TO DISCUSS THESE ISSUES AND WE HAVE HAD A PRODUCTIVE RELATIONSHIP.

THIS MORNING I WILL PROVIDE A PERSPECTIVE ON SOLUTIONS THROUGH PARTNERSHIPS BY EXAMINING THE ROLE INTERNATIONAL STANDARDS PLAY IN QUALITY SHIPPING, CURRENT PORT STATE CONTROL RESULTS, INTERNATIONAL SAFETY MANAGEMENT CODE IMPLEMENTATION, AND FUTURE MODIFICATIONS TO OUR PORT STATE CONTROL PROGRAM TO REWARD QUALITY SHIPS, AND TO INCLUDE CHARTERERS AS AN ELEMENT IN FUTURE RISK ASSESSMENT.

THE ULTIMATE GOAL OF ALL STAKEHOLDERS IN INTERNATIONAL SHIPPING IS VERY SIMPLY, IN THE WORDS OF THE INTERNATIONAL MARITIME ORGANIZATION, “SAFER SEAS, CLEANER SEAS.”

THE MEANS TO ATTAIN THAT GOAL IS THE CONTINUOUS IMPROVEMENT OF THE QUALITY OF SHIPPING, INCLUDING VESSELS, THE PEOPLE WHO OPERATE WITHIN THE INDUSTRY AFLOAT AND ASHORE, AND THE MANAGEMENT SYSTEM IN WHICH THEY OPERATE.

THE INTERNATIONAL STANDARDS OF IMO AND THE ILO PROVIDE A DEFINITIVE FRAMEWORK DESIGNED TO ADDRESS AREAS OF RISK TO SAFETY, THE ENVIRONMENT, AND CREW CONDITIONS TO IMPROVE THE QUALITY OF SHIPPING.

(SLIDE 2 - FOUNDATION)

THE “STRUCTURE” THAT SUPPORTS THE ATTAINMENT OF
QUALITY BEGINS WITH:

(SLIDE 3 - COLUMNS)

A FOUNDATION OF INTERNATIONAL STANDARDS, AS THE BASE,
UPON WHICH THE PLAYERS IN THE PROCESS – OWNERS,
FLAG STATES, PORT STATES, CLASSIFICATION SOCIETIES,
CHARTERERS, UNDERWRITERS AND OTHERS-DEPEND TO
ATTAIN QUALITY.

(SLIDE 4 - PARTHENON)

THESE PLAYERS ARE INFORMAL PARTNERS WITH A COMMON
GENERAL GOAL TO IMPROVE SAFETY AND MARINE
ENVIRONMENTAL PROTECTION, AND ARE OFTEN
REFERRED TO AS THE CHAIN OF RESPONSIBILITY. THEY
ALSO HAVE THE POTENTIAL TO ESTABLISH FORMAL
PARTNERSHIPS WITH CLEARLY STATED GOALS IN
MARITIME SAFETY AND MARINE ENVIRONMENTAL
PROTECTION. THIS IS A GROWING TREND FOR US IN THE
UNITED STATES.

OF COURSE, PRIMARY RESPONSIBILITY LIES WITH THE OWNER,
FOLLOWED BY FLAG STATE, FOLLOWED BY CLASS,
FOLLOWED BY CHARTERERS AND OTHERS AND FINALLY,
THE PORT STATE, THE COUNTRY IN WHICH A VESSEL
CALLS.

(SLIDE 5 - PARTHENON WITH WIDE PSC COLUMN)

GENERALLY, THIS IS THE CURRENT STATE OF THE STRUCTURE
OF QUALITY SHIPPING. A VERY ROBUST PORT STATE
CONTROL EFFORT EXISTS AS THE LAST SAFETY NET
WORLDWIDE TO ENSURE COMPLIANCE WITH THE
QUALITY FRAMEWORK OF INTERNATIONAL STANDARDS,
AND THIS EFFORT IS CARRYING MUCH MORE OF ITS
SHARE OF THE LOAD COMPARED TO OTHERS.

INTERNATIONAL SHIPPING REQUIRES INTERNATIONAL
STANDARDS – ONE STANDARD FOR WORLDWIDE USE TO:

- PROVIDE BOTH A UNIFORM WORLDWIDE FRAMEWORK TO
IMPROVE QUALITY AND A BENCHMARK FOR MEASURING
PROGRESS;
- TO SIMPLIFY THE PROCESS OF COMPLIANCE AND
ATTAINMENT OF QUALITY THAT WOULD BE MADE
SIGNIFICANTLY MORE COMPLEX, BUT NOT BETTER, IF
EVERY COUNTRY HAD DIFFERENT STANDARDS;

- TO EVEN THE PLAYING FIELD AMONGST COMPETING ECONOMIC INTERESTS; AND,
- TO RAISE THE BAR OF QUALITY AROUND THE WORLD FOR THE MUTUAL BENEFIT OF ALL NATIONS.

(SLIDE 6 - SAFETY, MEP, COMMERCE TRIANGLE)

WE MUST CONTINUE TO STRIKE A FINE BALANCE BETWEEN SAFETY, PROTECTION OF THE ENVIRONMENT, AND FACILITATION OF COMMERCE. WHEN I SAY WE I MEAN THE CHAIN OF RESPONSIBILITY AS WELL AS THE PUBLIC AND OTHER INTEREST GROUPS – WE SHOULD ALL BE PARTNERS IN IMPROVING QUALITY. (AND THE TERM "PARTNERS" IMPLIES A STRONGER, CLOSER, MORE PROACTIVE RELATIONSHIP THAN THE CONCEPT OF THE CHAIN OF RESPONSIBILITY).

OVER THE LONG TERM, WE HAVE, AS PARTNERS, REDUCED THE LOSS OF LIFE AND POLLUTION TO THE ENVIRONMENT DUE TO MARINE ACCIDENTS AND ROUTINE OPERATIONS. BUT, WE SHOULD NOT CONGRATULATE OURSELVES TOO MUCH. CLEARLY, MORE MUST BE DONE - AND A CULTURE OF PARTNERING COULD FACILITATE THIS.

(SLIDE 7 - ERIKA)

ONE ONLY HAS TO THINK OF THE ERIKA ACCIDENT OFF THE COAST OF FRANCE LAST DECEMBER THAT COATED BEACHES WITH FUEL OIL, AND THE RECENT SINKING OF THE FERRY EXPRESS SAMINA IN GREECE WITH MORE THAN 70 LIVES LOST TO KNOW THAT WE STILL HAVE PROBLEMS WITH THE SHIPS, THE PEOPLE, AND THE MANAGEMENT OF MARITIME OPERATIONS AND LAPSES IN THE CHAIN OF RESPONSIBILITY.

VIRTUALLY THE WHOLE CHAIN CAN CLAIM SOME LEVEL OF RESPONSIBILITY FOR THOSE TWO RECENT ACCIDENTS.

(SLIDE 8 - ERIKA)

ACCIDENTS SUCH AS ERIKA RAISE THE ISSUE OF UNILATERALISM AND REGIONAL SOLUTIONS THAT WOULD UNDERMINE THE BENEFITS OF INTERNATIONAL STANDARDS AND UNDERMINE THE INTERNATIONAL REGULATORY PROCESS THAT HAS BROUGHT US SO MUCH PROGRESS THROUGH THE IMO.

(SLIDE 9 - SAFETY, MEP, COMMERCE TRIANGLE)

WE MUST RESIST THE RELATIVELY EASY SOLUTION OF NATIONAL OR REGIONAL STANDARDS FOR INTERNATIONAL SHIPPING. OTHERWISE, WE MAY RISK LOSING THE BENEFITS AND IN THE LONGER TERM CREATE A NEGATIVE IMPACT ON SAFETY, THE ENVIRONMENT AND THE IMPROVEMENTS IN THE INTERNATIONAL ECONOMY AND STANDARD OF LIVING THAT CAN BE ATTRIBUTED TO SHIPPING AND OUR CAREFUL EFFORTS TO BALANCE SAFETY, ENVIRONMENT AND FACILITATION OF COMMERCE.

THE ERIKA INCIDENT CREATED A DEFINING MOMENT AT THE IMO TWO WEEKS AGO THAT WOULD DETERMINE WHETHER WE COULD CONTINUE TO SEEK INTERNATIONAL SOLUTIONS TO INTERNATIONAL PROBLEMS THROUGH INTERNATIONAL STANDARDS OR WHETHER WE WOULD LAPSE INTO REGIONAL OR UNILATERAL SOLUTIONS BEGINNING WITH THE ORIGINAL EC APPROACH TO SINGLE HULL TANKER PHASE OUT AND THEN PROBABLY SEE SIMILAR REACTION AROUND THE WORLD.

THE DECISION OF THE EUROPEAN COMMISSION COUNCIL OF MINISTERS TWO WEEKS AGO TO PUT THEIR CONFIDENCE IN IMO, FOLLOWED BY IMO DELEGATES WORKING TOGETHER IN THE BEST SPIRIT OF INTERNATIONAL COOPERATION CREATED A RESOUNDING POSITIVE VOTE IN FAVOR OF AN INTERNATIONAL STANDARDS APPROACH TO THIS INTERNATIONAL PROBLEM THAT WILL FOSTER THE PREEMINENCE OF INTERNATIONAL STANDARDS LONG INTO THE FUTURE.

IN THE US, THE RECENT INTERTANKO DECISION IN THE UNITED STATES SUPREME COURT ALSO REAFFIRMED THE PREEMINENCE OF INTERNATIONAL STANDARDS FOR SHIPPING AND TURNED ASIDE THE WASHINGTON STATE TANKER REGULATORY REGIME.

THANKFULLY, TRAGEDIES SUCH AS ERIKA AND EXPRESS SAMINA, ARE BECOMING LESS COMMON AND OVERALL, OUR EFFORTS TO IMPROVE THE QUALITY OF SHIPPING THROUGH INTERNATIONAL STANDARDS ARE SHOWING POSITIVE RESULTS.

I WOULD LIKE TO PROVIDE SOME OBSERVATIONS ON THE GLOBAL EFFECTIVENESS OF THE PORT STATE CONTROL PROGRAM USING COMPLIANCE WITH INTERNATIONAL STANDARDS AS A BENCHMARK.

(SLIDE 10 - STATISTICS)

IN THE US IN 1998, WE EXPERIENCED A 32% DECLINE IN OVERALL VESSEL DETENTIONS FOR FAILING TO MEET INTERNATIONAL STANDARDS FROM 1997 FIGURES, AND THE NUMBER OF DETENTIONS FOR 1999 IS DOWN 31% FROM THE NUMBER OF DETENTIONS FOR 1998. DETENTIONS RELATED TO CLASS SOCIETY PERFORMANCE HAVE DECREASED FROM 37% IN 1996 TO 15% IN 1999. I MUST CONGRATULATE MR. RESHETOV AND RS ON HAVING A GREATLY IMPROVED PSC RECORD IN THE UNITED STATES THIS YEAR, AND I MUST ALSO CONGRATULATE MR. MATUSHENKO FOR A SIMILAR DRAMATIC REDUCTION IN RUSSIAN FLAG DETENTIONS.

THIS DOWNWARD TREND, ALTHOUGH NOT AS PRONOUNCED, IN OVERALL PSC DETENTIONS HAS ALSO BEEN OBSERVED IN THE PARIS AND TOKYO MOU REGIONS AS WELL.

THE USCG IS PARTICIPATING AS A PARTNER IN EQUASIS TO IMPROVE TRANSPARENCY OF PERFORMANCE THROUGH DATA AVAILABILITY.

I BELIEVE THAT, AMONG OTHER THINGS, THE ISM CODE HAS HAD A POSITIVE INFLUENCE ON THIS DOWNWARD TREND IN THE PREPARATION TO IMPLEMENT THE CODE. THE USCG WORKED EXTENSIVELY IN FORMAL PARTNERSHIPS WITH BIMCO AND INTERTANKO TO FACILITATE PHASE I IMPLEMENTATION AND WE CONTINUE TO WORK WITH BIMCO FOR PHASE II VESSELS.

THE OVERALL PSC DETENTION RATE DOWNWARD TRENDS THAT I MENTIONED EARLIER WERE MOST PRONOUNCED IN ISM PHASE I VESSEL CLASSES WITH A DETENTION RATE REDUCTION OF MORE THAN 50% - SIGNIFICANTLY BETTER. I WAS PLEASED TO HEAR MR. RESHETOV ALSO EXPRESS CONFIDENCE IN THE POSITIVE CONTRIBUTION OF ISM IN HIS COMMENTS.

OUR PORT STATE CONTROL PROGRAM HAS BEEN SUCCESSFUL THUS FAR, BUT WE PLAN TO MAKE SOME CHANGES TO OUR PROGRAM TO SHARPEN IT EVEN FURTHER. WE WILL IMPLEMENT TWO ADDITIONAL MEASURES THAT WILL BECOME EFFECTIVE JANUARY 1, 2001.

FIRST, ON SEPTEMBER 25 AT THE MARE FORUM IN ATHENS, GREECE, I ANNOUNCED THE DETAILS OF A NEW PSC INITIATIVE BY THE UNITED STATES COAST GUARD CALLED QUALSHIP 21, QUALITY SHIPPING FOR THE 21ST CENTURY, THAT WE HOPE WILL FURTHER IMPROVE QUALITY SHIPPING THROUGH USE OF INTERNATIONAL STANDARDS.

(SLIDE 11 - QUALSHIP)

WELL, WHAT SHIPS WOULD QUALIFY FOR THESE INCENTIVES?
HOW DO YOU DEFINE A QUALSHIP 21 VESSEL?

(SLIDE 12 - QUALSHIP PERFORMANCE)

FIRST, WE WILL CONSIDER THE PERFORMANCE – BASICALLY A LACK OF DETENTIONS FOR THE OWNER, FLAG, AND CLASS. THE VESSEL MAY NOT HAVE BEEN DETAINED, AND DETERMINED TO BE SUBSTANDARD, IN U.S. WATERS WITHIN THE PREVIOUS 36 MONTHS. THE INITIAL SCREENING WILL CONSIDER SUBSTANDARD VESSEL DETENTIONS BETWEEN JANUARY 1, 1998 AND DECEMBER 31, 2000.

THE VESSEL ALSO MAY NOT BE OWNED OR OPERATED BY ANY COMPANY THAT HAS BEEN ASSOCIATED WITH A SUBSTANDARD VESSEL DETENTION IN U.S. WATERS WITHIN 24 MONTHS. IN ADDITION, THE VESSEL MAY NOT BE CLASSED BY, NOR HAVE THEIR STATUTORY CONVENTION CERTIFICATES ISSUED BY, A TARGETED CLASS SOCIETY.

THE VESSEL MAY NOT BE REGISTERED WITH A FLAG STATE THAT HAS A DETENTION RATIO MORE THAN 1/3 OF THE OVERALL U.S. DETENTION RATIO, DETERMINED ON A 3-YEAR ROLLING AVERAGE. (FLAG STATES MUST ALSO HAVE AT LEAST 10 DISTINCT VESSEL ARRIVALS PER YEAR).

THE VESSEL'S FLAG STATE MUST HAVE SUBMITTED ITS SELF-ASSESSMENT OF FLAG STATE PERFORMANCE TO THE IMO, AND ALSO PROVIDED A COPY TO THE UNITED STATES. WE INTEND TO REWARD THOSE FLAG STATES THAT COMPLETE SELF-ASSESSMENTS.

NEXT, THE VESSEL MAY NOT HAVE HAD ANY MARINE VIOLATIONS*, ANY REPORTABLE MARINE CASUALTIES THAT MEET THE DEFINITION OF A SERIOUS MARINE INCIDENT (46 CFR 4.03-2), OR ANY MAJOR MARINE CASUALTIES (46 CFR 4.40) IN U.S. WATERS WITH THE PREVIOUS 36 MONTHS.

THE VESSEL MUST HAVE COMPLETED A SUCCESSFUL U.S. COAST GUARD PSC EXAMINATION WITHIN THE PREVIOUS 12 MONTHS OF ELIGIBILITY DETERMINATION.

WHAT ARE THE INCENTIVES FOR A QUALSHIP 21 VESSEL?

PRINCIPALLY, SIGNIFICANTLY LESS COAST GUARD ACTIVITY ON THE VESSEL WHEN IT IS IN A U.S. PORT, WHICH IS THE BEGINNING OF A TREND TO REDUCE MULTIPLE INSPECTIONS OF VESSELS. MORE SPECIFICALLY, QUALSHIP 21 FREIGHT SHIPS WOULD NOW RECEIVE BIENNIAL FREIGHT EXAMS. FOR QUALSHIP 21 TANKSHIPS, THE "ANNUAL" TANK SHIP EXAM WILL BE MODIFIED TO A BIENNIAL REQUIREMENT, AND BE SUBJECT TO A BRIEF REINSPECTION BETWEEN BIENNIAL EXAMS.

* A marine violation is any violation that results in a monetary civil penalty that is assessed by a hearing officer. This includes violations of the Federal Water Pollution and Control Act and pollution incidents. However, if a pollution incident is settled through the NOV program (ticket), one will be allowed during the evaluation period.

QUALIFYING VESSELS WILL BE ISSUED A U.S. COAST GUARD
"QUALSHIP 21" DESIGNATION CERTIFICATE.

QUALSHIP 21 PASSENGER VESSELS WILL NOT BE ELIGIBLE FOR
A REDUCTION IN ANY PORT STATE CONTROL EXAMS -
GIVEN THE PRECIOUS CARGO THEY CARRY, WE WILL NOT
REDUCE SCRUTINY. HOWEVER, A QUALSHIP 21
PASSENGER VESSEL WILL ALSO RECEIVE A CERTIFICATE
AS RECOGNITION FOR MEETING THIS STRINGENT
CRITERIA.

WE HOPE THAT EVENTUALLY, UNDERWRITERS, PORTS,
FINANCIAL INSTITUTIONS, AND OTHER ENTITIES WILL
RECOGNIZE THE QUALSHIP PROGRAM AND PROVIDE
ADDITIONAL INCENTIVES.

HOW DOES A VESSEL QUALIFY?

VESSEL OWNERS WILL NOT NEED TO APPLY FOR QUALSHIP 21 DESIGNATION. THE U.S. COAST GUARD WILL DEVELOP A PRELIMINARY LIST OF ELIGIBLE VESSELS AND SEND LETTERS TO THOSE VESSEL OWNERS TO NOTIFY THEM OF THIS INITIATIVE AND THEIR OPPORTUNITY TO PARTICIPATE. VESSEL OWNERS THAT BELIEVE THAT THEY HAVE SHIPS ELIGIBLE FOR DESIGNATION, BUT DO NOT SEE THEIR VESSELS ON THE QUALSHIP 21 WEB PAGE (TO BE POSTED MARCH 2001) SHOULD NOTIFY THE COAST GUARD.

WHAT IS THE EXIT CRITERIA FOR THE QUALSHIP 21 PROGRAM?

A VESSEL WILL NO LONGER BE ELIGIBLE FOR INCENTIVES DURING THE PERIOD OF THE QUALSHIP 21 CERTIFICATE UNDER THE FOLLOWING CONDITIONS:

THE VESSEL IS DETAINED, AND DETERMINED TO BE SUBSTANDARD, IN U.S. WATERS;

THE VESSEL HAS A MARINE VIOLATION, MORE THAN ONE PAID NOTICE OF VIOLATION CASE, A REPORTABLE MARINE CASUALTY THAT MEETS THE DEFINITION OF A SERIOUS MARINE INCIDENT, OR A MAJOR MARINE CASUALTY;

THE VESSEL IS FOUND WITH SERIOUS DEFICIENCIES THAT ARE NOT BEING MONITORED BY THE VESSEL'S FLAG STATE OR CLASS SOCIETY, ACTING ON BEHALF OF THE FLAG STATE, OR THE VESSEL FAILS TO REPORT A HAZARDOUS CONDITION PRIOR TO ARRIVAL. IF THE VESSEL IS WITHIN THE TIME LIMITS IMPOSED BY THE FLAG STATE OR CLASS SOCIETY TO CORRECT DEFICIENCIES, THE VESSEL WILL NOT LOSE ELIGIBILITY FOR INCENTIVES;

THE VESSEL TRANSFERS CLASS TO A TARGETED CLASS SOCIETY; OR

THE VESSEL CHANGES ITS FLAG STATE TO A FLAG STATE THAT HAS A DETENTION RATIO MORE THAN 1/3 OF THE OVERALL U.S. DETENTION RATIO.

AS OUR SECOND IMPROVEMENT TO OUR PORT STATE CONTROL PROGRAM, WE PLAN TO ADD CHARTERERS TO OUR PORT STATE CONTROL TARGETING MATRIX TO INCLUDE CONSIDERATION OF THE VESSEL'S CHARTERER AS AN ELEMENT OF QUALITY OR THE LACK THEREOF.

(SLIDE 13 - MATRIX - CHARTERERS)

WE CONTINUE TO EXAMINE THE FEASIBILITY OF IDENTIFYING CHARTERERS THAT ARE ASSOCIATED WITH MULTIPLE DETENTIONS AND INTEND TO PUBLISH A LIST OF TARGETED CHARTERERS. THAT WILL THEN BECOME A NEW DIMENSION IN PSC TARGETING AND QUALITY AS WELL AS QUALITY RECOGNITION.

WE BELIEVE THAT, COLLECTIVELY, THESE MEASURES WILL CREATE VARIOUS INTERACTIONS AMONG THE DIFFERENT PLAYERS IN THE CHAIN OF RESPONSIBILITY THAT WILL, IN TURN, CREATE INCENTIVES TO ASSUME THEIR APPROPRIATE SHARE OF RESPONSIBILITY FOR QUALITY SHIPPING.

FOR EXAMPLE, AN OWNER OF A VESSEL BEING HELD BACK FROM QUALITY RECOGNITION BY THE POOR PSC RECORD OF A REGISTRY OR CLASS SOCIETY MAY BRING PRESSURE ON THAT REGISTRY OR CLASS SOCIETY TO IMPROVE OR TAKE ITS BUSINESS ELSEWHERE.

AT THE SAME TIME THAT WE ARE PURSUING PSC IMPROVEMENTS, WE ARE ENGAGING IN FORMAL PARTNERSHIPS WITH A NUMBER OF INDUSTRY ASSOCIATIONS BOTH DOMESTICALLY AND INTERNATIONALLY INCLUDING:

(SLIDE 14 - PARTNERSHIPS)

- AMERICAN WATERWAYS OPERATORS;
- AMERICAN PETROLEUM INSTITUTE/CHAMBER OF SHIPPING OF AMERICA;
- SPILL CONTROL ASSOCIATION OF AMERICA/ASSOCIATION OF PETROLEUM INDUSTRY COOPERATIVE MANAGERS;
- INTERNATIONAL ASSOCIATION OF INDEPENDENT TANKOWNERS;
- BALTIC AND INTERNATIONAL MARITIME COUNCIL;
- AMERICAN PILOTS' ASSOCIATION;
- INTERNATIONAL COUNCIL OF CRUISE LINES; AND,
- U.S. PASSENGER VESSEL ASSOCIATION

THE PURPOSE OF THOSE FORMAL PARTNERSHIPS IS TO PURSUE NON-REGULATORY SOLUTIONS TO MUTUAL CONCERNS ABOUT SAFETY AND ENVIRONMENTAL PROTECTION AND RESPONSE.

WE HAVE EXECUTED FORMAL PARTNERSHIP AGREEMENTS WITH EACH ORGANIZATION AND ESTABLISHED PARTNERSHIP ACTION TEAMS TO PURSUE SPECIFIC PROJECTS - SUCH AS:

(SLIDE 15 - PARTHENON)

- FACILITATION OF ISM IMPLEMENTATION AND DEVELOPMENT OF A VOLUNTARY NEAR MISS REPORT WITH INTERTANKO AND BIMCO
- OIL SPILL REDUCTION MEASURES AND DECKHAND ACCIDENTS WITH AWO
- PASSENGER VESSEL EVACUATION EXERCISES AND GREY WATER POLLUTION PREVENTION WITH ICCL
- BRIDGE COMMUNICATIONS AND ALERTNESS WITH CSA AND API
- DEVELOPMENT OF A RISK GUIDE WITH PVA

WE LOOK TO START OTHER PROJECTS AS THESE CONCLUDE AND USE OUR PARTNERSHIPS FOR CONTINUOUS IMPROVEMENT. AND WE SEEK OTHER FORMAL PARTNERS.

CURRENTLY, WE'RE WORKING WITH INTERCARGO TO DEVELOP A FORMAL PARTNERSHIP AND PROJECT FOCUSED ON ENVIRONMENTAL PROTECTION ISSUES.

IN CONCLUSION, INTERNATIONAL STANDARDS PROVIDE
NUMEROUS BENEFITS TO FLAG STATES, PORT STATES AND
THE ENTIRE CHAIN OF RESPONSIBILITY FOR QUALITY
SHIPPING AS WELL AS THE PUBLIC AT LARGE. A CULTURE
OF PARTNERING - WITH THE DEVELOPMENT OF A CLOSER
MORE PROACTIVE EFFORT AMONGST THE CHAIN - CAN
FURTHER FACILITATE QUALITY.

ALTHOUGH SOMETIMES THERE ARE DRIVERS TO REACT TO
ACCIDENTS WITH UNILATERAL NATIONAL OR REGIONAL
SOLUTIONS AND STANDARDS, IN THE LONG RUN, THE
INTERNATIONAL APPROACH IS USUALLY BEST, WHERE
POSSIBLE, TO PROVIDE A CONSISTENT FRAMEWORK
WITHIN WHICH ALL OF THE CHAIN OF RESPONSIBILITY
MAY WORK TOGETHER TO IMPROVE SHIPPING QUALITY
AND MEASURE PROGRESS – ALL TOWARD THE GOAL OF
“SAFER SEAS, CLEANER SEAS.”

RECENT ACTIVITY AT IMO RESULTING FROM THE ERIKA
INCIDENT REINFORCES THAT CONCEPT, ALONG WITH THE
US SUPREME COURT INTERTANKO DECISION.

USING INTERNATIONAL STANDARDS AS A MEASURE, WE SEE SIGNIFICANT PROGRESS TOWARD IMPROVED QUALITY OF SHIPPING AS INDICATED BY A REDUCTION IN PSC DETENTIONS, BUT ARE STILL NOT SATISFIED WITH THE NUMBER OF VESSELS WE FIND NON-COMPLIANT. ALL LINKS IN THE CHAIN OF RESPONSIBILITY MUST DO MORE TO AID IN FURTHER IMPROVEMENTS.

FROM THE PERSPECTIVE OF A PORT STATE WE SEE NUMEROUS OPPORTUNITIES TO IMPROVE COMPLIANCE AND QUALITY SHIPPING AND SHIFT THE BURDEN APPROPRIATELY AMONGST THE CHAIN OF RESPONSIBILITY WITHIN THE FRAMEWORK OF INTERNATIONAL STANDARDS, AS FOLLOWS:

- CREATION OF INCENTIVES FOR FLAG STATES TO IMPROVE THEIR PERFORMANCE;
- CONTINUING THE STRONG EMPHASIS ON ISM IMPLEMENTATION AND COMPLIANCE;
- INCREASING ACCOUNTABILITY OF CHARTERERS;

- ESTABLISHING INCENTIVES FOR QUALITY SHIPS SUCH AS LESS PORT STATE EXAMINATIONS FOR VESSELS DEMONSTRATING QUALITY ALONG THE LINES OF PERFORMANCE AND TRANSPARENCY THAT AT THE SAME TIME CREATES INCENTIVES FOR OWNERS AND FLAG STATES TO CONTINUE TO IMPROVE QUALITY – ALL TOWARDS THE GOAL OF “SAFER SEAS, CLEANER SEAS.” WITH OWNERS AND FLAG STATE CARRYING OUT THEIR FULL RESPONSIBILITY AND PSC BEING ONLY A QUALITY CHECK, THIS IS THE DESIRED STATE OF THE STRUCTURE OF QUALITY SHIPPING.

WE BELIEVE THAT THE CONCEPT OF PARTNERSHIPS - WHETHER A CLOSER RELATIONSHIP WITH INCREASED COMMUNICATIONS BETWEEN THE LINKS IN THE CHAIN OF RESPONSIBILITY OR THROUGH FORMAL AGREEMENTS - ARE A VERY EFFICIENT AND EFFECTIVE MEANS TO IMPROVE QUALITY OF SHIPPING. WE WILL CONTINUE TO EMPLOY MORE TRADITIONAL METHODS WITH THE CONCEPT OF PARTNERING FOR SAFETY AND ENVIRONMENTAL PROTECTION, PERHAPS DISPLACING MORE TRADITIONAL FORMAL REGULATORY PROCESSES OR AT LEAST CREATING A CULTURE WHERE FORMAL REGULATORY PROCESSES ARE MINIMIZED AND REFOCUSED FROM A PRESCRIPTIVE TO A PERFORMANCE BASED APPROACH.

SPA SEE BAH [THANK YOU]. I'D BE PLEASE TO TAKE YOUR
QUESTIONS.